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In the market for a new car? Let's look at some of the pros and cons of leasing versus owning. To buy a car, most people will need to take out a loan. As you make your monthly payments, part of that payment pays down the principal or the original amount of the loan, and the rest pays down the interest cost. When your payments are complete, you own the car, but you're also responsible for the cost of repairs and maintenance unless the car is under warranty. Keep in mind that your credit rating and down payment can have a big impact on your monthly payment, either positively or negatively.

On the other hand, if you decide to lease a car, your monthly payments will usually be lower because you are not paying any principal. Instead, you borrow and repay the difference between the car's value when it is new and its expected value when your lease ends, plus a finance charge. Leasing lets you afford a higher price vehicle and you don't have to worry about fluctuations in trade-in value, or the hassle of selling the car later. When your lease ends, just drop it off at the dealership. But leasing also has some drawbacks. First, you have no ownership of the vehicle. Second, you'll typically have to pay higher insurance premium because the car needs to be fully insured. And third, there could be additional fees such as mileage penalties or unexpected cost for wear and tear after that vehicle is returned. So which direction should you go? It all depends on your goals. Determine your needs and financial status before choosing the option that's best for you. CAPTRUST is here to help you navigate your financial future. So give us a call today.

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